

Segment 4

VENDING

A. BACKGROUND

WSF operates twenty-four (24) vehicle / passenger ferries serving twenty (20) terminals in Washington state and Sidney, B.C. Each ferry route has unique characteristics for terminal size and layout, concession facilities, vessel class assignments, commuter and tourist traffic, commercial traffic, seasonality, and overall ridership. WSF suggests that Proposers for service Segment 4, Vending, consider vending concepts based on these considerations. On-board and on-shore vending services should be tailored to the terminal, route and ridership.

RFP Volume III, Resource Information, contains information on concession revenue by terminal and vessel, and passenger volumes by route. The data should aid in developing a planned scale of operations.

Please note that under the existing Vending Concession Contract, all of the WSF vessels and most of the terminals have vending machines. See the Vended Products and Locations section herein.

Proposers are encouraged to submit vending concepts that enhance the customer experience and blend well with other concession concepts included in this RFP.

B. GENERAL REQUIREMENTS

The General Requirements for service Segment 4, Vending, are those contained in the General Scope of Services Requirements for all service Segments plus:

1. Provide Cold Beverage, Hot Beverage and Snack Vending concepts and machines on the concession premises in accordance with the Concessionaire's proposal. Deviation from the proposal shall be permitted only with the express agreement of WSF.
2. Obtain agreement from WSF for proposed vending machines and placement prior to commencement of operations under the Contract.
3. WSF reserves the right to approve the design of the front panel on the vending machines.

4. The right to develop sub-contract relationships with local and seasonal businesses to assist in offering vending concepts and services subject to agreement by WSF.
5. Emphasis must be placed on providing exceptional customer service combined with the goal of achieving business success. Proposers should tailor staffing levels to meet varying needs and hours of service.
6. All facilities and machine installations must be designed to meet all local, state, and federal building code requirements, including the Americans with Disabilities Act standards.
7. Concessionaire employees working on-board vessels are required to obtain a permit known as a “Z card”. They are available through the local U.S. Coast Guard office.
8. There is no on-site parking available for Concessionaire management or other staff at any ferry terminal. At some ferry terminals, pay parking is available in adjacent parking lots.

C. VENDED PRODUCTS AND LOCATIONS

1. Vessels

The vended products and locations aboard the WSF vessels consist of:

- a. Cold beverage vending machine space aboard twenty-two (22) vessels currently equipped with such vending machines and any new WSF vessel subsequently equipped with such machines during the term of the Contract. (The M.V. Evergreen State and M.V. Hiyu don’t have any cold beverage vending machines.)
- b. Hot beverage vending machine space aboard twenty-one (21) vessels currently equipped with such vending machines and any new WSF vessel subsequently equipped with such machines during the term of the Contract. (The M.V. Evergreen State, M.V. Tillikum and M.V. Hiyu don’t have any hot beverage vending machines.)
- c. Snack vending machine space aboard twenty-two (22) vessels currently equipped with such vending machines and any new WSF vessel subsequently equipped with such machines during the term of the Contract. (The M.V. Evergreen State and M.V. Hiyu don’t have any snack vending machines.)

1 **2. Terminals**

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3 The vended products and locations at the WSF terminals consist of:

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5 a. Cold beverage vending machine space at twelve (12) WSF terminals.
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7 b. Hot beverage vending machine space at three (3) WSF terminals.
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9 c. Snack vending machine space at nine (9) WSF terminals.

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11 **NOTE:**

12 The Game Machine segment has been deleted from the current Vending Concession
13 Contract. There is no space available on/at WSF vessels and terminals for Game Machines
14 under this RFP.

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16 A list of current vending machines by type and location is included in RFP Volume III,
17 Resource Information.

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20 **D. CAPITAL REQUIREMENTS**

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22 The Concessionaire is responsible for all costs relative to the acquisition, installation
23 and maintenance of all vending concepts and equipment. Title to such property will
24 remain with the Concessionaire. Any permanent improvements made to WSF
25 terminals and vessels, as part of the vending service shall become WSF property at
26 the termination or expiration of the Contract.

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28 Engineering studies for equipment installation on vessels must be performed by WSF
29 prior to vessel modification. Changes in on-board equipment installations are
30 stringently controlled by WSF.

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33 **E. CONCESSION FEE**

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35 Under this RFP, the minimum monthly Concession Fee for Segment 4, Vending, shall
36 be thirty-five percent (35%) of gross sales (less sales tax) per month. Such amount
37 applies to all product categories, including cold / hot beverage vending and snack
38 vending. Proposers may offer a Concession Fee greater than the minimum, to be
39 considered during the Proposal evaluation process. For successful Proposals, the
40 actual monthly Concession Fee will be the greater of: (i) the minimum monthly
41 Concession Fee specified herein; or (ii) the proposed Concession Fee.

1 **F. CONTRACT TERM**

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3 The Concession Contract for Segment 4, Vending, will be for an initial term of four
4 (4) years, with a WSF option to extend for an additional six (6) years.
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7 **G. CONTRACT SECURITY**

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9 The Concessionaire will be required to provide Contract Security in the form of an
10 Irrevocable Letter of Credit (ILOC) or Contract Bond at the time of Contract
11 execution. The required Contract Security will be an amount approximately equal to
12 100% of the projected Concession Fee for the first three (3) months of operation.
13 WSF will provide approved ILOC and Contract Bond forms. Alternate versions are
14 subject to WSF's prior review and approval.
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17 **H. OPERATIONAL REQUIREMENTS**

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19 1. In addition to cash, the vending machines must accept credit and debit card
20 payments, except as otherwise approved by WSF on a limited basis due to
21 cellular connectivity issues.
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23 2. The Concessionaire is responsible for its own concession equipment
24 maintenance. On-going maintenance and maintenance contracts will be the
25 responsibility of the Concessionaire.
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27 3. All modifications to any vending machines and capital improvements must be
28 approved and scheduled by WSF to coincide with ferry schedules and
29 terminal repair / preservation projects.
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31 4. Beverage / snack products and vending machines must be first quality and
32 meet all Health Department regulations. The Concessionaire shall service,
33 clean and keep vending machines well stocked so as to maximize the
34 customer's experience and the Concessionaire's gross revenues. WSF will
35 monitor the quality of products and services to ensure they remain at the
36 levels approved by WSF.
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